



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

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### Memorandum

To: Child and Adult Care Food Program (CACFP) Administrators

From: Mary Szafranski, Deputy Associate Superintendent  
Health and Nutrition

Melissa Steinle, Director  
Child and Adult Care Food Program

Subject: Allowability of Costs of Directors and Officers Insurance in the Child and Adult Care Food Program

This memorandum addresses the allowability of "Directors and Officers" insurance as an administrative cost in the Child and Adult Care Food Program (CACFP).

The cost of Directors and Officers insurance is an allowable CACFP administrative cost, **provided that** the following conditions apply:

- (1) The insurance policy actually provides liability coverage for activities related to the CACFP (many policies specifically exclude coverage related to the administration of a Federal program); and
- (2) If the policy also provides coverage for non-CACFP liability, the CACFP share of the cost must be properly allocated.

While Directors and Officers insurance is an allowable cost as described above, it is important for institutions that purchase such insurance to be fully aware of all provisions and exclusions in any policy they consider.

Please feel free to contact your program specialist or the Health and Nutrition Office at 602.542.8700 if you have questions.

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